

The complaint

Mr and Mrs C complain that Lloyds Bank General Insurance Limited turned down their accidental damage insurance claim.

What happened

Mr and Mrs C hold buildings and contents insurance cover with Lloyds Bank. They made an accidental damage claim after their laptop was damaged.

Lloyds Bank initially told Mr and Mrs C that their claim would be covered. However, soon after, Lloyds Bank advised Mr and Mrs C that their claim fell under a policy exclusion for damage caused by pets and wouldn't be covered. Unhappy with this, Mr and Mrs C complained to Lloyds Bank.

Lloyds Bank didn't alter its claims decision, but it did offer Mr and Mrs C £50 compensation for incorrectly informing them that their claim would be covered. Mr and Mrs C brought their complaint to this service.

Our investigator looked into things, but thought that Lloyds Bank had turned down the claim in line with the policy terms. Although Lloyds Bank had incorrectly told Mr and Mrs C that their claim would be covered, she noted that Lloyds Bank put this right later the same day. So she thought the £50 compensation offered by Lloyds Bank for this error was reasonable.

Mr and Mrs C didn't accept our investigator's findings, and so the matter has been passed to me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr and Mrs C have accidental damage cover under their policy. This covers damage that's sudden, unexpected and not done on purpose. However, the policy also says:

'We won't pay claims for damage caused by:

...

- Household pets'*

The laptop was on a bed. Mr and Mrs C's dog jumped onto the bed, and the motion of the mattress in response caused the laptop to fall from the bed and become damaged.

I think it was reasonable for Lloyds Bank to say the cause of the damage was the dog jumping onto the bed. Even if I were to conclude there were two concurrent causes of damage (the dog jumping onto the bed and also the movement of the mattress), as one of these causes is specifically excluded, the legal position is that the exclusion applies. So I find that Lloyds Bank was entitled to rely on the exclusion to turn down the claim.

When Mr and Mrs C initially called Lloyds Bank to make a claim, the staff member thought it would be covered. However, shortly after that conversation took place, Lloyds Bank spoke to Mr and Mrs C again and said this wouldn't be the case. Whilst I appreciate Mr and Mrs C would have been disappointed to learn their claim wouldn't be covered after all, I think the £50 compensation offer was appropriate here and reflected the confusion and loss of expectation they experienced.

My final decision

My final decision is that I don't uphold this complaint in respect of the claims decision.

Lloyds Bank General Insurance Limited has already made an offer to pay Mr and Mrs C £50 to settle the complaint about incorrectly informing them their claim would be covered, and I think this offer is fair in all the circumstances.

So my decision is that Lloyds Bank General Insurance Limited should pay £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 23 July 2024.

Chantelle Hurn-Ryan
Ombudsman